

HEADQUARTERS
UNITED STATES EUROPEAN COMMAND
APO 09128

DIRECTIVE
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COMPTROLLER

Administration of Representation Funds

1. **Summary.** To prescribe the policies, procedures, and guidance for administrative control of Operation and Maintenance, Army (OMA), Security Assistance Organization (SAO), and Operation and Maintenance, Defense (O&M, Defense representation funds. This Directive applies to HQ USEUCOM and USEUCOM subordinate elements.

2. **Applicability.** This directive applies to all HQ USEUCOM organizational elements, directorates, offices, commands, and USEUCOM subordinate elements.

3. **Internal Control Systems.** This directive is not subject to the requirements of AR 11-2, the Army Internal Management Control Program. This directive is subject to the requirements of DoD Directive 5010.38, Internal Management Control Program.

4. **Suggested Improvements.** ECCM-B is the proponent for this directive. Suggested improvements should be forwarded to HQ USEUCOM, ATTN: ECCM-B, Unit 30400, Box 1000, APO AE 90128-4209.

5. **References:**

a. DOD Directive 7250.13, Official Representation Funds.

b. AR 37-47, Financial Administration, Contingency Funds of the Secretary of the Army.

c. AR 1-75, Administrative and Logistical Support of Overseas Security Assistance Organizations.

d. Foreign Affairs Manual (FAM), Section 340, Payment of vouchers for representation allowances.

6. **Explanation of Terms:**

a. Representation Funds. Funds used to maintain the standing and prestige of the United States by extending official courtesies to certain officials and dignitaries of foreign governments and the United States.

b. Fund Control Ledger. A record or register used to provide an audit trail for representation funds. It is used to record the receipt of and changes to the annual representation fund ceiling, list all expenditures, and provide a running balance. Use of term is synonymous with fund management ledger, resource control ledger and Security Assistance Automated Resource Management Systems (SAARMS)

c. Representation Fund Limitation. A specific dollar amount or limitation included in funds allocated to HQ

USEUCOM and USEUCOM subordinate elements to accomplish official representation responsibilities. This limitation governs the maximum amount of operating funds which may be used or representation purposes. The amount provided is subject to administrative reporting and cannot be exceeded. Use of term is synonymous with contingency fund limitation (OMA .0012 limitation).

d. Certifying and Approving Officer (CAO). An individual who certifies on a reimbursement voucher the correctness of amounts, propriety of payment, and availability of funds for representation purposes before submitting it to a disbursing officer. The recipient of representation funds will designate (in writing) the CAO. This person will not at the same time be shown as payee on a reimbursement voucher for representation purposes.

e. Representation Fund Custodian. Individual designated to maintain a fund control ledger and a file, by fiscal year, of all paid vouchers with supporting documents and receipts attached for all expenditures of representation funds. Appointment of custodian for OMA representation funds will be in writing. Appointment of custodian for SA representation funds will be by letter when the custodian is other than the fiscal officer.

f. Representation Fund Expenditure Receipt. A record of delivered goods and services that substantiates expenses claimed for reimbursement of representation activities. Receipts should be signed by the host of the representation function to ensure validity. Receipts can include sales slips, restaurant bills, paid invoices, cash register tapes, and other similar type records which substantiate an appropriate expenditure. In

the absence of the type receipts above, a signed statement by the CAO regarding propriety of expenditures and circumstances why receipts were unobtainable must accompany the claim voucher.

g. Honored and Distinguished Guests. Dignitaries, distinguished citizens, and certain officials of the United States and foreign countries who may be extended official courtesies on behalf of the Department of Defense to maintain the standing and prestige of the United States and to further U.S. policy objectives. These individuals are recognized as "authorized guests" for whom an official event for social and entertaining purposes may be held using representation funds. Members of party accompanying authorized guests may be included for the purpose of official entertainment and in determining guest ratios.

7. Responsibilities.

a. The HQ USEUCOM Comptroller will:

(1) Upon request provide additional guidance concerning expenditures of OMA, SA, and O&M, Defense representation funds to HQ USEUCOM and subordinate elements.

(2) Review and approve all requests for extraordinary expenses not specifically authorized or prohibited by applicable references.

(3) Submit SA representation fund requirements to the Defense Security Assistance Agency (DSAA) during the established budget cycle.

(4) Upon receipt of SA funding levels from DSAA, establish and issue, in coordination with the Deputy for the Security Assistance (ECJ4-SA), individual SAO representation fund limitation.

(5) Submit OMA representation fund requirements to Headquarters, Department of the Army (HQDA), within the Army's Programming, Planning, Budgeting, and Execution System (PPBES).

(6) Upon receipt of a letter from HQDA authorizing the expenditure of OMA funds for representation purposes, issue individual limitation to HQ USEUCOM and USEUCOM subordinate elements.

(7) Submit O&M, Defense representation fund requirements to the appropriate Department of Defense activity during established budget cycles.

(8) Upon receipt of O&M, Defense authorization for use of funds for representational purposes, issue individual limitations to HQ USEUCOM and USEUCOM subordinate elements.

(9) Take action on all requests for increases or other adjustments to representation funding levels.

(10) Review use and management of representation funds during command inspections or other reviews.

b. HQ USEUCOM and USEUCOM subordinate elements will:

(1) Follow references 5a through 5c above concerning the expenditure of SA, OMA, and O&M, Defense representation funds, as applicable. While reference 2d permits the use of section 320 and 330 by the

embassy disbursing office, SAOs will not construe the same authority for such expenditures. For SAOs, authority for representation fund expenditures is found in DOD Directive, Service Department/Joint Service Regulation, and this Directive.

(2) Include representation fund requirements in their annual budget submission to HQ USEUCOM.

(3) Upon receipt of representation fund limitation, reevaluate budget submission and develop a specific program to use funds for the purpose of furthering U.S. policy objectives, consistent with the policies and procedures in this Directive and DOD/DA regulation.

(4) Assure obligations and expenditures of representation funds do not exceed established limitation.

(5) Certify the propriety and correctness of expenditures of funds prior to submission of reimbursement vouchers. Certification must be by the CAO (paragraph 6d).

(6) Ensure obligations of representation funds are recorded in fund control ledgers in advance of an event when the exact expenditure data is available. For events where exact expenses are not known until the day of the event ensure obligations are recorded no later than one day after the event. Ensure amounts are included in monthly feeder reports or obligation transmittal documents, as applicable.

(7) Keep an accurate fund control ledger (paragraph 6b) and maintain files with supporting documentation for all expenditures of representation funds. Supporting documentation includes guest

lists (name, title, country represented), representation fund expenditure receipt (paragraph 6f), an payment vouchers.

(8) Maintain a representation fund stockage perpetual inventory (sample at Appendix A). Specifically, purchase of food, beverages, and mementos (see restrictions in Appendix B) will be recorded to show date, quantity consumed, description of acquired items, and balance on hand. When items are drawn from stock, the date, event, quantity, and balance remaining will be recorded.

(9) Maintain current copies of this Directive, applicable references (paragraph 5) and for SAOs and applicable O&M, Defense, a copy of the local embassy reimbursement limitation policy (paragraph 8i).

(10) Apply internal management controls to financial, administrative, and operations activities to provide reasonable safeguards against waste, loss, unauthorized use, or misappropriation of representation funds and other assets.

8. Policies and Procedures.

a. HQ USEUCOM will provide OMA and O&M, Defense funds, with a specific representation fund limitations to headquarters and subordinate elements, as appropriate, for representation allowances associated with their mission. Funding levels will be based on an estimate of demands to represent the interests of the United States, a condition which is generally related to the number of senior officers assigned.

b. HQ USEUCOM and subordinate elements will charge allowable representation expenses to their representation funds. Other appropriated or SAO operating funds

will not be used to circumvent representation fund limitation.

c. Expenditures of representation funds will be for official entertainment or other authorized purposes to further U. S. policy objectives. Exceptions to applicable references (paragraph 5 above) and questionable allowance require determination by this Headquarters, attention ECCM-B, in advance of a planned event and prior to obligation or expenditure of representation funds.

d. All official entertainment will be on a scale appropriate to the occasion and, in all instances, will be conducted on a modest basis. Invited guests will be held to the minimum necessary to extend proper courtesy to the guest(s) of honor. To ensure that official entertainment cost are kept to a minimum, the following guidelines for ratios of DOD personnel (including spouses) to authorized honored or distinguished will be observed. Desirable ratios are:

(1) In parties of less than 30 persons, a minimum of 20% should be authorized honored or distinguished guests and members of their party.

(2) In parties of 30 or more persons, a minimum of 50% should be authorized honored or distinguished guests and member of their party.

e. Representational requirements which qualify for use of OMA funds will normally be hosted by the DCINC. Request for use of the DCINC's OMA official representation funds by HQ USEUCOM program directors or special staff offices will be submitted with full justification on Staff Summary Routing Sheet (SSRS) through ECCM-B, then ECLA for coordination

before going to the office of the DCINC for approval.

f. Representation requirements which qualify for use of SAO will normally be hosted by the SAO chief. Exceptions to this policy should be forwarded in advance of the event through ECJ4-SPS to HQ USEUCOM, ECCM-B for approval.

g. Representational requirements which qualify for O&M, Defense funds will normally be hosted by the responsible director or program manager.

h. Guest list will be completed in a manner to distinguish clearly honored or distinguished guests from attendees, as well as the host, during the approval process. Such lists will be revised after the function has been held to show those in actual attendance. Reasonable efforts will be made to ensure above ratios of DOD personnel to authorized guests are maintained on the actual attendance list.

i. Local embassy policy on the use of representation funds pertaining to reimbursement limitation by type of function (e.g., 30 Deutsche Marks per individual for restaurant luncheon) should be followed and retained as reference within the SAO. The applicable O&M, Defense program manager must also follow local embassy policy and provide a copy as supporting documentation with requests for reimbursement.

j. The list of allowable and prohibited expenditures provided in Appendix B will be used as a guide for planned functions or events. Officials who may and who may not be extended official courtesies as honored or distinguished guests using representation funds are listed in Appendix C.

k. SAO will use standard embassy vouchers to obtain reimbursement for representation fund expenditures. Reimbursement for OMA representation fund expenditures processed through an Army or other DOD activity will be by SF 1034, Public Voucher for Purchases and Services Other Than Personal. O&M, Defense will use SF 1034, or SF 44, (need name please) when request reimbursement or providing payment US Government Purchase Order/Invoice/Voucher, for representational fund expenditures.

FOR THE COMMANDER IN CHIEF:

OFFICIAL:

RICHARD F. KELLER
Lieutenant General, USA
Chief of Staff

SUSAN M. MEYER
LTC, USA
Adjutant General

Appendixes

A - Perpetual Inventory Record

B - Expenditures of Representation Funds

C - Officials Eligible for Official Courtesies Using Representation Funds

DISTRIBUTION:

A+

Appendix A
Perpetual Inventory Record

PERPETUAL INVENTORY RECORD				
ORGANIZATION:		ITEM DESCRIPTION:		
USODC GERMANY		ORGANIZATION PLAQUES		
DATE		DESCRIPTION OF EVENT	QUANTITY	BALANCE ON HAND
PURCHASED	CONSUMED			
20 OCT 86		Trophies, Inc. Voucher #XXX	20	20
	30 OCT 86	Gen Schultz's (German Army) Retirement	<2>	18
	20 DEC 86	Annual Joint German /American Military Christmas Ball	<6>	12

Appendix B

Expenditures of Representation Funds (Not All Inclusive)

B-1. Allowable Expenditures for Official Events.

a. Meals and refreshments consumed at the event.

b. Gratuities not to exceed 15% of the cost for services rendered by nongovernment personnel at the event.

c. Cost of travel by taxicab, bus, streetcar, subway, train, and rental vehicle fees to attend an event when government transportation is not available.

d. Floral wreaths in connection with award or dedication on occasions of national holidays in foreign countries.

e. Mementos of a nominal cost, not to exceed \$200.00, used in connection with official ceremonies, dedication, or functions. Mementos costing more than \$200.00 require approval, in advance, by the officials below:

(1) Secretary of the Army for OMA Representation Funds.

(2) One of the following for SA Representation Funds: Secretary of Defense, Deputy Secretary of Defense, Secretary of the Army, Chairman of the JCS.

f. Decorations for official entertainment in host's quarters.

g. Printing or engraving of invitations to official events.

h. Visits of distinguished guests (see Appendix C). However, senior DOD personnel have access to non-USEUCOM representation funds for use when they travel to defray costs incurred by their U.S. Government host when social activities are organized in their honor. Use of these funds should be explored before using USEUCOM representation funds.

B-2 Prohibited Expenditures of Representation Funds.

a. Expenses for retirement and change of command ceremonies for DOD personnel except for those specifically approved in advance by the SECDEF, Deputy SECDEF or the military department concerned, or Chairman, JCS.

b. Expenses only for entertainment of DOD personnel, except for those specified in Appendix C.

c. Purchase of mementos, tokens, and gifts except those authorized in paragraph B-1 for use in connection with official ceremonies or functions.

d. Expenses connected with military or civilian conferences, conventions, or seminars including fees.

e. Expenses normally expected to be assumed as personal obligation of visiting VIPs. These include personal items such as clothing toilet articles, cigarettes, hair and

beauty care, shoe shines, and souvenirs. These also include membership fees and dues.

f. Cost of living expenses such as quarters expenses, gardening and lawn care services.

g. Recreation and entertainment solely for employees of the U. S. Government and their families.

h. Expenses for classified projects or for intelligence purposes.

i Hire, purchase, operation, or repair of vehicles and aircraft, except fares for taxicabs, buses, streetcars, subways, trains or rental vehicle fees when government transportation is not available for authorized guest.

j. Printing and engraving of Christmas cards and other types of greeting or calling cards

k. Greeting cards for Christmas and other holidays or occasions and calling cards

l. Any portions of any event that is eligible for sponsorship with welfare and recreation funds, except expenses of authorized guests.

Appendix C.

Officials Eligible for Official Courtesies Using Representation Funds

C-1.. Officials Eligible for Officials Courtesies as Honored or Distinguished Guests

a. Foreign dignitaries, distinguished citizens, military officer, and government officials of foreign countries whose rank, position, function, or stature justify official entertainment.

b. U.S. Federal, State, and Local Officials. The President and Vice President of the United States, members of the Cabinet, members and professional staff personnel of the Congress, governors of states, mayors of cities, citizens' committees, and other distinguished or prominent citizens who have made a substantial contribution to the nation or DOD.

c. DOD Personnel:

(1) Secretary and Deputy Secretary of Defense,

(2) Under Secretaries of Defense,

(3) Assistant Secretaries of Defense,

(4) Comptroller of the Department of Defense (C, DOD),

(5) General Counsel, DOD,

(6) Inspector General, DOD,

(7) Director , Operational Test and Evaluation,

(8) Assistants to the Secretary of Defense,

(9) Chairman, Joint Chiefs of Staff,

(10) Vice Chairman, Joint Chief of Staff,

(11) Director, Joint Staff,

(12) Unified and Specified Command Commanders,

(13) Deputy Commander in Chief, Europe (DCINCEUR),

(14) Secretaries, Under Secretaries, and Assistant Secretaries of the Military Departments,

(15) Chiefs and Vice Chiefs of Staff of the Army, the Air Force, and Naval Operation,

(16) Commandant and Assistant Commandant of the Marine Corps,

(17) Directors of Defense Agencies,

(18) President, Uniformed Services University of the Health Services,

(19) Director, Defense Research and Engineering.

C-2. *Examples of Officials Not Eligible for Officials Courtesies as Honored or Distinguished Guests.

- a. Army MACOM Commanders,
 - b. Commanders of Air Force MAJCOMS which are not specified commands,
 - c. Navy Fleet commanders,
 - d. Spouses of DOD personnel (hosted as a separate function),
 - e. USEUCOM IG Inspectors,
 - f. USEUCOM or DSAA Security Assistance Desk Officers,
 - g. SAO/TAFT/MTT personnel.
- *Does not preclude attendance to official events as invited guests; however, official events may not be held on their behalf.